

PT Bank Pembangunan Daerah Nusa Tenggara Timur

Credit Rating(s)

General Obligation (GO)	idA-/Stable
Shelf Registered Bonds I/2018	idA-/Stable

Rating Period

September 6, 2024 – September 1, 2025

Published Rating History

SEP 2023	idA-/Stable
SEP 2022	idA-/Stable
SEP 2021	idA-/Stable
SEP 2020	idA-/Stable
SEP 2019	idA-/Stable

PEFINDO has affirmed its idA- rating with stable outlook to PT Bank Pembangunan Daerah Nusa Tenggara Timur (Bank NTT). At the same time, PEFINDO has affirmed its idA- ratings for Bank NTT's Shelf Registered Bonds I/2018 Series D of IDR37 billion. The rating reflects Bank NTT's captive market in the region, above average liquidity, and high capital adequacy ratio. The rating is constrained by its below average asset quality profile, modest profitability, and concentrated funding profile.

The rating may be raised if Bank NTT significantly strengthens its business position and funding structure, followed by improving its asset quality and profitability profiles. Conversely, the rating may be lowered if PEFINDO views a significant decline in its market position or in its financial indicators. In addition, failure to resolve the minimum regulatory core capital in a timely manner may also trigger the rating downgrade.

Established in 1962, Bank NTT is a regional development bank (BPD), primarily focusing its business activities in East Nusa Tenggara (Nusa Tenggara Timur or NTT) Province. As of June 30, 2024 (1H2024), it was 24.97% owned by the provincial government of NTT, 74.96% by the district and regency municipal governments in NTT, and the remaining 0.07% shares owned by individuals.

Rating Definition

An obligor rated idA has a strong capacity to meet its long-term financial commitments relative to those of other Indonesian obligors. However, the obligor is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than higher-rated obligors. The Minus (-) sign indicates that the rating is relatively weak within the respective rating category.

Financial Highlights

As of/for the year ended	Jun-2024 (Unaudited)	Dec-2023 (Audited)	Dec-2022 (Audited)	Dec-2021 (Audited)
Total assets [IDR bn]	17,241.1	17,325.4	17,032.1	15,666.7
Total equity [IDR bn]	2,608.6	2,548.2	2,568.9	2,308.2
Total gross loans [IDR bn]	12,504.9	12,474.2	11,815.1	11,181.3
Total customer deposits [IDR bn]	13,061.7	12,895.7	12,799.3	12,493.1
Net interest revenue [IDR bn]	518.3	1,040.0	1,069.9	938.0
Net income [IDR bn]	88.2	110.2	228.9	228.3
NIR/average earning assets [%]	6.4	6.5	7.2	6.7
Operating expense/income [%]	87.9	91.2	80.6	81.2
ROAA [%]	1.0	0.6	1.4	1.5
NPL (3-5)/gross loans [%]	3.6	2.9	2.6	2.6
Loan loss reserve/NPL (3-5) [%]	68.6	73.3	55.2	60.3
Risk weighted CAR [%]	25.0	25.3	26.9	24.3
Gross loans/total deposits [%]	95.7	96.7	92.3	89.5
USD exchange rate [USD/IDR]	16,421	15,416	15,731	14,269

*annualized

The above ratios have been computed based on information from the company and published accounts. Where applicable, some items have been reclassified according to PEFINDO's definitions.

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